

Potential Analysis of Microenergy Systems - Discussion

“Exploring the Niche” in Kenya¹

1. How willing is the NGO to accept the risk to make the proposed cooperation structure work?
 - Drawing conclusions from the interviews, it can be assumed that NGOs face a rather small risk. As NGOs have a relatively close contact to people implying more social pressure, clients are more willing to pay back their loan.
2. What measures could be taken, if clients were not able to pay back their loan?
 - Not only the NGO, but also the MFI has the possibility to contact the client. However, it makes a huge difference, if MFIs want to make profit or only intend to survive. If they care about their costumers, they can apply more flexible mechanisms which involve for example that clients are able to skip their payment for a week depending on the availability of financial means.
3. Did the researchers especially look at the underlying reasons why the interest rate of MIFs is that high (40%)?
 - The interest rate is that high, as MIFs obtain the money from banks. It is moreover difficult to reduce transaction costs due to operational fixed costs such as travelling to villages to collect the money. Operating with mobile banking could possibly decrease interest rates to some extent.
 - Comment: Savings and Credit Cooperatives (SACCOs) have lower interest rates (2%) and lower transaction costs. They are preferred, however not everyone has direct access to SACCOs.
4. It could be argued that transaction costs are supposed to increase, if the NGO as a further actor steps in and gets integrated in the cooperation structure. Would it not be better to think of a business model that aims at reducing transaction costs?
 - Involving NGOs in the business strategy is not a long time solution. NGOs are thought to rather kick off and support the whole process. In general, it is difficult to reduce transaction costs, as the involved actors need to sell their products and costumers have to be guided how to use them.
5. What measures could be taken to raise awareness among people?
 - As people are not yet aware of the huge potential of RETs, it is important to create awareness and convince them to trust in these sustainable technologies. Direct contact, trainings and workshops are needed to integrate local communities and teach them how to use the devices. Moreover, cooperation with mobile companies could help to advertise the products.

¹ Presentation by Sandra Hannappel: The Potential for Linking Microfinance Practices and Renewable Energy Technologies in Kenya

Potential of Energy from Waste in Informal Setting in Cairo²

1. What impact do governments have on the transition process?
 - NGOs are working hard to get the idea to the government and municipalities as well as to establish cooperation's to tackle the pollution.
2. How feasible is the project?
 - Very optimistic that a combined system with decentralized units of making W2E could be implemented.

Potential of Energy Products and Services in Tanzania³

1. Does the researcher have a consistent definition for the remoteness factor 'distance to town'?
 - There is no constant definition. The researcher did choose the four villages according to the availability of statistical data.
2. Who is providing kerosene in the villages?
 - Little shops with local venders provide kerosene which is always available and stored as it is hard to get during the rainy season.
3. What are the energy costs per week?
 - The average expenditure was not calculated due to the limited number of observations in the sample.
 - Comment: For the local population it is easier to spend money on other things than electricity. Light is seen as not being really needed, but rather being nice to have. In the villages in Tanzania, kerosene is moreover used in small cups and tablespoon sizes depending on the amount of money which is available per day.

² Presentation by Sherif Sheta: Appropriate Microenergy Techniques - A Shortcut to Balancing the Social Systems of Informal Settlements in Cairo, Egypt

³ Presentation by Hannes Kirchhoff: Analysis of the Potential for Energy Products and Services in Rural Areas of Tanzania